## Message Text

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SECRETSTATE 119132

NODIS

FOLLOWING REPEAT ISLAMABDAD 5292 ACTION SECSTATE DATED MAY 23:

QTE: S E C R E T ISLAMABAD 5292

**NODIS** 

FOR THE SECRETARY

E.O. 11652: GDS

TAGS: PFOR, PINT, PK, US

SUBJECT: US-PAK RELATIONS: MEETING WITH PRIME MINISTER BHUTTO

1. SUMMARY: THE RECONCILATION PROCESS BEGAN TONIGHT (MAY 23)
WHEN I WAS CALLED TO THE PRIME MINISTER'S HOUSE FOR AN HOUR-LONG
CHAT WITH BHUTTO IN THE GARDEN. FOREIGN MINISTER AZIZ AHMED
AND A NOTETAKER WERE PRESENT. BHUTTO MADE NO APOLOGIES AND CONTINUED TO SUGGEST THERE WAS SOME "EVIDENCE" FOR HIS ALLEGATIONS
AGAINST US. I CATEGORICALLY DENIED ANY INTERVENTION BY THE USG
AND EMPHASIZED WE HAD NO MOTIVES FOR SUCH ACTION. BHUTTO SAID HIS
SECRET

PAGE 02 STATE 119132

INSTRUCTIONS TO AZIZ AHMED WERE TO APPROACH THE PARIS TALKS WITH YOU IN A "CONSTRUCTIVE" SPIRIT. I ASSURED THE PRIME MINISTER YOU WOULD APPROACH THE TALKS WITH THE SAME SPIRIT AND WE EXPRESSED A MUTUAL HOPE YOUR MEETING WOULD GET US OVER THIS DIFFICULT PERIOD IN OUR RELATIONS. PERHAPS MOST SIGNIFICANTLY, BHUTTO SAID THAT IF AZIZ AHMED'S TALKS WITH YOU WNT WELL, HE WAS PREPARED TO MAKE A STATEMENT BEFORE THE NATIONAL ASSEMBLY THAT THE MISUNDERSTANDING HAD BEEN CLEARED UP, THEREBY SIGNALING TO HIS PARTY FAITHFUL AND THE PEOPLE OF PAKISTAN THAT OUR RELATIONS WOULD RESUME A NORMAL FOOTING. ALTHOUGH BHUTTO HAS TAKEN THIS CONCILIATORY STEP, IT IS STILL TOO SOON TO TELL IF HE EARNESTLY

WANTS TO RETURN OUR RELATIONSHIP TO ITS FORMER CONSTRUCTIVE STATE OR IF HE STILL PLANS TO USE US FOR HIS DOMESTIC POLITICAL ADVANTAGE. END SUMMARY

2. BHUTTO CALED ME TO HIS RESIDENCE FOR AN 8 P.M. MEETING MAY 23. WE SAT IN THE GARDEN IN A RELAXED ATMOSPHERE FOR MORE THAN AN HOUR WITH FOREIGN MINISTER AZIZ AHMED. THROUGHOUT BHUTTO WAS THE QUIET, THOUGHTFUL, CONCILIATORY AND CONCERNED STATESMAN, AND NOT THE TUB-THUMPING PERFORMER OF THE APRIL 28 SPEECH. AFTER A STRAINED EXCHANGE OF PLEASANTRIES, BHUTTO FIXED A SOMEWHAT CYNICAL SMILE ON ME AND ASKED "WHY HAVE YOU DONE THIS TO US"? I REPLIED: "WE HAVE DONE NOTHING TO YOU." BHUTTO THEN LAUNCHED INTO A TEN MINUTE MONOLOGUE, MORE OR LESS EVEN-PITCHED, DESCRIBING HOW HE HAD PURPOSEFULLY SET HIS COURSE ON CLOSE RELATIONS WITH THE U.S. SINCE 1971. IN SPITE OF OPPOSITION FROM SOME ELEMENTS IN HIS OWN PARTY WHO BROKE WITH HIM OVER THE ISSUE OF CLOSE U.S.-PAK TIES. HE SAID HE APPRECIATED OUR ECONOMIC ASSISTANCE AND OUR LIFTING OF THE ARMS EMBARGO (ALTHOUGH HE HAD HOPED FOR GRANT OR CREDIT AND THAT WE WOULD NOT ALWAYS LOOK OVER OUR SHOULDER AT INDIA IN IMPLEMENTING OUR POLICY). HE SAID HE HAD ALWAYS SPOKEN FAVORABLY WITH CHINESE AND EUROPEAN LEADERS OF HIS CLOSE TIES WITH THE U.S., AND THEN WE HAD DONE "THIS" TO HIM. BHUTTO BLAMED THE REPROCESSING ISSUE FOR OUR CURRENT DIFFICULTIES, GOING THROUGH HIS FAMILIAR LITANY OF HOW WE HAD FAILED TO OPPOSE IT UNTIL THE CONTRACT WAS SIGNED AND THEN SUDDENLY IN SECRET

PAGE 03 STATE 119132

AUGUST, 1976 SECRETARY KISSINGER HAD BECOME QUITE "IRRITATED" WITH HIM.

3. I RESPONDED THAT THE USG HAD NOT INTERVENED IN ANY WAY IN PAKISTAN'S INTERNAL AFFAIRS, HAD NO INTENTION OF DOING SO AND HAD NO MOTIVES FOR INTERVENTION. I SAID THAT WE HAD OUR DIFFERENCES WITH PAKISTAN, BUT WE HAD DIFFERENCES WITH MANY NATIONS, EVEN OUR CLOSEST ALLIES. IT WAS OUR HOPE THAT THESE COULD BE WORKED OUT QUIETLY BETWEEN FRIENDS, AND THIS WAS THE APPROACH WE WERE WORKING ON WITH THE REPROCESSING ISSUE. I SAID I KNEW HIS GOVERNMENT WAS PUZZLED WHEN WE FAILED TO RESPOND TO HIS EXPRESSED WILLINGNESS TO UNDERTAKE TALKS ON REPROCESSING, BUT IT WAS MY IMPRESSION THE ISSUE WAS OPERATING ON TWO LEVELS IN WASH-INGTON: WHILE ON ONE LEVEL NEGOTIATING INSTRUCTIONS WERE BEING DEVELOPED. THE NEW ADMINISTRATION WAS ON ANOTHER LEVEL UNDER-TAKING A THOROUGH REVIEW OF ITS GLOBAL APPROACH ON NUCLEAR ISSUES. THE SPECIFIC QUESTION OF INSTRUCTIONS FOR OUR DISCUSSIONS WITH PAKISTAN ON THE REPROCESSING PLANT HAD BECOME SUBSUMED IN THE LARGER ISSUE AND WAS THEREBY DELAYED. I SAID I HAD ANTICIPATED THAT OUR NEW AMBASSADOR WOULD HAVE BROUGHT INSTRUCTIONS ON THIS SUBJECT, BUT THEN THE PRIME MINISTER'S APRIL 28 SPEECH INTERVENED. A RESUMPTION OF DISCUSSIONS WOULD THEREFORE NATURALLY HAVE TO WAIT UNTIL WE HAD OUR RELATIONS BACK ON A SOUNDER FOOTING. BHUTTO MADE NO COMMENT ON THE FOREGOING BUT NODDED HIS AGREEMENT AT SEVERAL POINTS.

4. BHUTTO THEN TURNED TO THE PARIS TALKS. HE SAID AZIZ AHMED WOULD CARRY SOME "EVIDENCE" WITH HIM. AS A SOVEREIGN NATION PAKISTAN HAD NO OBLIGATION TO PRESENT SUCH EVIDENCE, BUT AZIZ AHMED WOULD BE FORCED TO DO SO IF HE MET WITH A HARD-LINE RECEPTION IN PARIS. I SAID I WAS CERTAIN AZIZ AHMED WOULD FIND YOU IN A MOOD TO SEEK A WAY OUR OF OUR PRESENT IMPASSE, BUT THAT YOU WOULD NATURALLY CONTINUE TO DENY ALLEGATIONS THAT THE USG KNEW WERE NOT TRUE. I THEN WENT ON TO SAY THAT I DEEPLY REGRETTED THAT THERE WERE THOSE IN PAKISTAN WHO HAD FED THE PRIME MINISTER FALSE INFORMATION ABOUT ACTIVITIES OF AMERICANS SECRET

## PAGE 04 STATE 119132

HERE TO SERVE THEIR OWN PURPOSE. OF CREATING DIVISIONS BETWEEN US. I ALSO SAID THAT I BELIEVED THE CENTRAL ELEMENT IN HIS CHARGES INVOLVED THE ALLEGED FLOODING OF U.S. DOLLARS INTO PAKISTAN. I SAID WE HAD CHECKED CAREFULLY INTO THE RUPEE-DOLLAR EXCHANGE RATE BOTH IN KARACHI AND THE GULF AND HAD FOUND NO EVIDENCE OF A SUDDEN RISE IN THE VALUE OF THE RUPEE AS HAD BEEN ASSERTED. ?#7559 8,534'3:53\$ 5#-5 5#3 :940 :9..-,\$34 8, (-4-:#8 5#-, 5#3 ,94.-) 10 TO 1. I SAID THE DOLLAR WAS AN INTERNATIONAL CURRENCY AND IF THERE WAS AN INFLOW OF DOLLARS, THEY COULD HAVE COME FROM MANY SOURCES WHICH I COULD NOT ACCOUNT FOR. I COULD ASSURE HIM HOWEVER THAT THE ONLY OFFICIAL US DOLLARS COMING INTO PAKISTAN WERE IN SUPPORT OF ASSISTANCE PROGRAMS HIS OWN GOVERNMENT HAD APPROVED. THROUGHOUT MY COMMENTS REFUTING THE ALLEGATIONS, BHUTTO REMAINED NON-CONTENTIOUS, ALTHOUGH HE ASSERTED AZIZ AHMED HAD IN HAND A FEW ITEMS HE MIGHT HAVE TO PULL OUT IN PARIS. I OFFERED TO REVIEW THEM WITH THE PRIME MINISTER IN AN EFFORT TO REMOVE ANY RESIDUAL DOUBTS HE MIGHT HAVE ABOUT OUR ROLE HERE, BUT HE DECLINED, SAYING THAT HE HOPED THE ATMOSPHERE IN PARIS WOULD OBVIATE THE NEED TO SORT THROUGH ANY DIRTY LINEN.

4. I THEN TOLD BHUTTO I HAD SPENT SEVERAL HOURS WITH YOU IN TEHRAN DURING THE CENTO MEETING. I SAID I FOUND YOU DEEPLY DIS-TURBED BY THE BASELESS ALLEGATIONS AGAINST THE US, VERY HOPEFUL THAT QUIET TALKS COULD ELIMINATE THE MISUNDERSTANDINGS BETWEEN US, BUT SOMEWHAT IMPATIENT OVER THE REPETITION OF THE ALLEGATIONS AND THE CONTINUING ANTI-AMERICAN CAMPAIGN AGAINST US. I SAID THAT THE GOP SHOULD UNDERSTAND THAT PRESIDENT CARTER CAMPAIGNED ON A PLATFORM OF HONESTY AND OPENNESS IN BOTH DOMESTIC AND FOREIGN POLICY: HE WAS ELECTED ON THIS PLATFORM: IT REPRESENTS THE POLICY OF HIS GOVERNMENT; AND IT WAS THEREFORE UNTHINKABLE THAT HIS ADMINISTRATION COULD UNDERTAKE AN EFFORT TO SUBVERT A FRIENDLY GOVERNMENT. I SAID THAT THE CONTINUATION OF OUR ECONOMIC ASSISTANCE PROGRAMS, OUR ONGOING MILITARY SUPPLY RELATIONSHIP AND THE WARM SUBSTANTIVE LETTER FROM PRESIDENT CARTER WERE ALL SOUND INDICATORS OF HIS ADMINISTRATION POLICIES TOWARD PAKISTAN AND THE PRIME MINISTER'S GOVERNMENT. SECRET

PAGE 05 STATE 119132

6. BHUTTO THEN SAID HE HAD LEARNED FROM THE FOREIGN SECRETARY'S REPORT ON MY TRIP TO TEHRAN, THROUGH THE SHAH, AND FROM SOBER'S CONVERSATION WITH THE PAK AMBASSADOR TO IRAN (TEHRAN 4298), THAT YOU WERE LOOKING FORWARD TO TALKS WITH AZIZ AHMED, BUT ALSO THAT YOU WERE SOMEWHAT IMPATIENT. HE SAID HE HOPED THAT THE ATMOSPHERE OF THE TALKS WOULD NOT BE ONE OF THREATS OF AN AID CUT-OFF OR TERMINATION OF MILITARY SUPPLY. I REPLIED THAT YOU INTENDED TO APPROACH THE TALKS IN A FULLY CONSTRUCTIVE SPIRIT. I SAID THERE WOULD BE NO THREATS, BUT IT HAD TO BE UNDERSTOOD THAT THE CONTINUATION OF OUR PROGRAMS HAD TO TAKE PLACE IN AN ATMOSPHERE OF MUTUAL TRUST AND CONFIDENCE.

7. BHUTTO RESPONDED BY SAYING THAT HIS INSTRUCTIONS TO AZIZ AHMED WERE TO ENTER THE TALKS IN A CONSTRUCTIVE SPIRIT AND TO SEEK TO RESTORE OUR RELATIONS TO A NORMAL FOOTING. HE THEN SAID IF THE TALKS WERE SUCCESSFUL, HE WOULD BE PREPARED TO GO BEFORE THE NATIONAL ASSEMBLY A FEW DAYS AFTER THE PARIS MEETING AND TELL THE PEOPLE THAT THE MISUNDERSTANDINGS BETWEEN US HAD BEEN CLEARED UP. HE THEN SAID THAT HE HAD BEEN TRYING TO CREATE THE PROPER ATMOSPHERE FOR THE TALKS IN THE PAST FEW DAYS AND THAT WHEN I HAD PROTESTED TO THE FOREIGN SECRETARY, THE COMMUNICATIONS MINISTER'S ANTI-AMERICAN REMARKS IN A RECENT SPEECH, HE HAD TOLD HIM TO STOP (AND INDEED HE HAS, OR AT LEAST THERE HAVE BEEN NO FURTHER PRESS REPORTS OF THEM). I THANKED HIM FOR THAT BUT NOTED THAT THE CAMPAIGN WAS NEVERTHLESS CONTINUING, FOR EXAMPLE, THE RAILWAYS MINISTER WAS TODAY QUOTED AS REIOERATING THE CHARGES AGAINST US AT A POLITICAL RALLY YESTERDAY. BHUTTO SAID HE WOULD ASK HIM TO STOP SUCH SPEECHES.

8. SINCE I SEEMED TO BE MAKING SOME PROGRESS, I BROUGHT UP THE SCURRILOUS BURKI ARTICLES AGAINST THE US, CITING THE MOST RECENT WHICH IMPLIED AID EMPLOYEES WERE CIA AGENTS, THAT THE US WASPREVENTING PAKISTAN FROM ACHIEVING SELF-SUFFICIENCY IN WHEAT, AND THAT THE US HAD FORCED THE POSTPONEMENT OF THE CONSORTIUM MEETING. I SAID THESE FABRICATIONS IN THE GOVERNMENT CONTROLLED SECRET

PAGE 06 STATE 119132

PRESS WERE BOUND TO HAVE AN ADVERSE RESONANCE IN WASHINGTON, BOTH IN THE ADMINISTRATION AND ULTIMATELY IN THE CONGRESS, AND WERE ALSO CREATING AN ATMOSPHERE IN PAKISTAN THAT MADE IT DIFFICULT FOR OUR AID PERSONNEL TO FUNCTION. BHUTTO SAID HE HAD READ THE ARTICLES AND AGREED THEY WERE TERRIBLE. AZIZ AHMED INTERJECTED WITH THE USUAL FOLDEROL ABOUT BURKI BEING OUT OF THE GOVERNMENT'S CONTROL, BUT BHUTTO INTERRUPTED TO SAY THAT BURKI WAS PART OF BROADER AND MORE COMPLEX PROBLEM THAT WOULD BE CLEARED UP BY SUCCESSFUL TALKS IN PARIS.

9. BHUTTO THEN SAID HE HAD ASKED ME OVER FOR A PREPARATORY MEETING TO GET THE PARIS TALKS OFF ON THE RIGHT FOOTING. HE SAID HE WANTED THEM TO BE A SUCCESS AND HE WAS ENCOURAGED BY WHAT I HAD SAID TO THINK THAT THEY COULD BE.

10. COMMENT: ONE SWALLOW DOES NOT MAKE A SPRING, BUT BHUTTO AT LEAST WANTS TO APPEAR TO BE CONCILIATORY IN PREPARATION FOR THE PARIS MEETING. TO MY MIND THE MOST SIGNIFICANT ASPECTS OF THE CONVERSATION WERE (1) HIS OBVIOUS RELUCTANCE TO HAVE TO DRAG ANYTHING OUT OF HIS GARBAGE BAY OF "EVIDENCE" IN PARIS (AND I BELIEVE WE SHOULD NOT PRESS THE POINT IF AZIZ AHMED PROVES TO BE AS CONCILIATORY AS BHUTTO HAS FORESHADOWED); AND (2) BHUTTO'S EXPRESSED WILLINGNESS TO MAKE A PUBLIC STATEMENT THAT OUR "MIS-UNDERSTANDINGS" HAVE BEEN CLEARED UP IN THE SAME SETTING HE MADE HIS ORIGINAL CHARGE (I THINK IT WOULD BE USEFUL FOR YOU TO REMIND AZIZ AHMED THAT BHUTTO SAID THIS TO ME); AND (3) BHUTTO'S FAILURE TO IDENTIFY WHAT "SUCCESSFUL" TALKS MEAN, AND HIS LACK OF SPECIFICITY IN WHAT HE MEANT BY RETURNING OUR RELATIONS TO NORMAL. THIS COULD STILL TURN OUT TO BE THE CENTRAL POINT IN HOW OUR RELATIONS EVOLVE AFTER PARIS. WE MUST GUARD AGAINST FINDING OURSELVES DEALING WITH A BHUTTO WHO CONTENDS THAT ALL IS WELL IN US/PAK RELATIONS WHILE HIS MINIONS AND THE MEDIA CONTINUE A LOW-LEVEL DRUMBEAT OF ANTI-AMERICAN ALLEGATIONS. IT IS TOO EARLY TO TELL IF WE ARE SEEING THE RE-EMERGENCE OF THE OLD BHUTTOO (1971-1976 VINTAGE) WHO HAS DEALT WITH US HONORABLY OVER THE PAST FIVE AND A HALF YEARS, OR IF WE ARE STILL DEALING WITH THE BHUTTO SECRET

PAGE 07 STATE 119132

WHO IS DETERMINED TO USE THE US ONLY FOR HIS DOMESTIC ADVANTAGE. I CONTINUE TO BELIEVE WE SHOULD BE WARY OF FALLING TOO DEEPLY INTO BHUTTO'S EMBRACE UNTIL WE HAVE HAD A REASONABLE OPPORTUNITY TO SEE IF OUR POST-PARIS RELATIONSHIP DOES INDEED RESUME ITS FORMER STABILITY AND MUTUAL CONFIDENCE. CONSTABLE UNOTE VANCE

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## Message Attributes

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